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ASX & MEDIA RELEASE

CBD'S ACQUISITION TARGET, ECO-KINETICS, WINS \$20M TENDER AND SIGNS SHARE PURCHASE AGREEMENT WITH CBD

Coinciding with CBD Energy's (ASX: CBD) proposed acquisition of eco-Kinetics Pty Limited, eco-Kinetics advises it has won a competitive tender to supply solar equipment in Shepparton, Victoria.

eco-Kinetics is to supply solar photovoltaic electricity generation systems, estimated to have a value of \$20 million over the next 12 months.

The tender win was awarded by Solar Valley Goes Solar (SVGS), an initiative of Murchison Valley Goes Solar and the Shepparton Chamber of Commerce.

SVGS is a not for profit community group aiming to increase the uptake of sustainable energy technologies by making selected systems available as cheaply and simply as possible.

eco-Kinetics will supply equipment to SVGS under an SVGS bulk buy program which gives local residents the chance to buy solar systems more cheaply and implement their own renewable energy solution.

The solar photovoltaic systems will qualify for a subsidy under the Australian government's solar credits scheme through the sale of renewable energy certificates.

SVGS has also arranged for Origin Energy to supply hot water systems to link with the solar photovoltaic electricity generation systems.

According to eco-Kinetics managing director, Mr Edwin Cywinski, the tender win was another important milestone for the growth of eco-Kinetics.

CBD managing director, Mr Gerry McGowan, said the supply contract also showed the ability of the eco-Kinetics business to repeat its success and achieve ongoing sales.

Eco-Kinetics is forecasting to achieve revenue of \$40 million for the year to June



2010 and the SVGS contract will be a contributor to revenue in 2010 and 2011.

CBD has agreed to buy eco-Kinetics for approximately \$13 million, comprising a cash payment of \$5 million on completion with the remainder of the consideration in cash and shares, subject to an earn out over the next two and half years.

CBD has completed and signed a share purchase agreement with eco-Kinetics. This agreement is subject to raising an appropriate amount of capital to complete the transaction.

CBD Managing Director Gerry McGowan said "This is a fantastic acquisition for CBD. The eco-Kinetics executive team is estimating \$40m of revenues in the 2010 year with estimated EBIT of approximately \$10,000,000. This latest tender win means they have secured around half of their revenue projections for the 2011 financial year. This, combined with other initiatives they have tendered on, gives CBD confidence they will repeat their performance in 2011."

Eco-Kinetics is a sustainable and renewable energy company, providing retail and commercial customers with professional engineering solutions to make effective use of wind and solar power.

Headquartered in Stapylton, near the Queensland Gold Coast, eco-Kinetics has offices in NSW, Victoria, Northern Territory, New Zealand and Fiji and representations in several other locations in Australia, Asia and the South Pacific.

CBD Energy is a diversified renewable energy company, with projects in Australia, New Zealand and China.

SVGS will be holding a series of public information sessions in coming weeks to promote the use of solar energy and the solar packages it has negotiated.

A copy of a Media Release issued by SVGS is attached with this ASX announcement, providing SVGS contact details.

FOR FURTHER INFORMATION:

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